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DBM PROCUREMENT DIRECTIVE

Directive Number: **97-02**

Effective Date: **10/1/97**

Subject:	Guidelines for Use of Department of General Services (DGS) Microcomputer Contract
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A. Purpose

The purpose of this directive is to provide guidelines to be used by State agencies when purchasing equipment and peripherals using the Department of General Services (DGS) Statewide contract, #DGS-OPC-9701. The contract includes 14 manufacturers through 11 vendors/distributors.

B. Applications/Exceptions

Agencies are encouraged but not required to purchase microcomputer equipment under the DGS contract. Agencies wishing to procure equipment items or unique support not covered by the contract, or which feel they can obtain better pricing, must follow the established DBM procurement procedures to procure those items.

If an agency elects not to use the DGS contract and does a separate solicitation for microcomputer equipment, the solicitation must contain a note or a statement to the vendors/distributors listed in the DGS contract, clearly indicating that the items being procured are not part of contract #DGS-OPC-9701.

C. Policies/Procedures

The procedures the agency must follow to use contract #DGS-OPC-9701 vary depending on whether the items: 1) require a budget amendment, 2) are not specifically provided for in the budget, or 3) are included in both the agency's budget and current Information Technology Project Request (ITPR).

The following rules apply if agencies are to use the contract #DGS-OPC-9701:

(1) *Items Requiring a Budget Amendment*

To purchase equipment requiring supplemental funding through a budget amendment, agencies shall first obtain an approved DBM budget amendment through normal Office of Budget Analysis (OBA) procedures. Budget amendment questions should be referred to the assigned agency budget analyst. Agencies should submit a revised Information Technology Project Request (ITPR) form with the budget amendment package if the purchase is not included in a current ITPR on file with the DBM Office of Information Technology (OIT). Call the Office of Information Technology at (410) 974-5234 with any questions concerning revised ITPRs.

(2) *Items Not Specifically Provided For in the Budget*

If an agency does not require a budget amendment and does not have funds specifically provided in its budget for microcomputer equipment, it must obtain approval from DBM's OBA before using the contract. Prior approval is not required for any individual purchase transaction under \$25,000. A procurement may not be artificially divided to circumvent this rule.

In order to obtain DBM's prior approval, the agency must submit a packet to OBA including: 1) a requisition using ADPICS, 2) a properly formatted BB-4 following the normal BB-4 procedure including necessary signatures and justifications and an explanation of where the funds are available to buy the equipment, and 3) a revised ITPR form if the purchase is not included in a current ITPR on file with the DBM Office of Information Technology. If everything is proper, OBA will approve the BB-4 and the agency will be authorized to complete the microcomputer equipment purchase.

(3) *Items Included in Both the State Budget and the Current ITPR on File with the DBM Office of Information Technology or Which are Added Following the Procedure in Rule (1) or (2) Above*

(a) Each agency may spend up to its approved budget limit for microcomputer equipment available from the contract without prior approval of DBM if it also has included the item(s) in a current ITPR on file with the DBM Office of Information Technology.

(b) Each agency should define its microcomputer configurations to satisfy program/business needs and technical requirements. Unless compatibility with existing hardware and software is of paramount concern, agency configurations should be based on a generic model which specifies a processor type, speed, display size, etc., rather than on a particular vendor model.

(c) Agency Information Technology (IT) Plans should include and be updated to

describe defined microcomputer equipment configurations. When purchasing microcomputer equipment, agencies should match them to the generic configurations defined in its IT plans. However, special considerations are allowed for the acquisitions of unique microcomputer configurations as business needs may dictate.

(d) Agencies are not required to purchase the least expensive products from the contract. However, price should be a major factor in making a purchasing decision. To encourage price competition, the DGS Comparison Guide For Recommended Configurations (the "Guide") is available on the Internet. The Guide provides the relative prices for vendor base configurations for desktops, file servers, portables, and printers in ascending price order and should be checked before making a purchase. See DGS Internet website page at <http://www.dgs.state.md.us/~dgs/compare.html>.

(e) In using this contract, agencies must first define their minimum microcomputer equipment requirements and configurations and then determine which vendors are capable of satisfying their requirements. Agencies are not required to obtain formal, competitive price quotes from vendors. They should, however, examine and compare the vendor prices available in the contract for their required configurations(s). These published vendor price lists (the "general offerings" of the various manufacturers) are published on the Internet and are also available in a published format from all vendors. Agencies should use this information available on the Internet and published information wherever feasible and practical. See DGS Internet website page at <http://www.dgs.state.md.us/~dgs/pcmain.html>.

Agencies may also gather information through consultations with vendors prior to making a decision. Based upon any such consultation, or if otherwise desired, agencies may also request formal price quotes from vendors. Agencies must limit price quote requests from vendors to only the microcomputer equipment that vendors are authorized to sell under the contract. For example, if an agency requires a laser printer, price quotes may only be obtained from the vendors authorized to provide printers even though many of the vendors not authorized under the contract to sell printers also sell printers.

(f) Agencies must maintain a file on microcomputer equipment purchases in excess of \$2,500 in a single purchase. This file shall contain all relevant agency documents and information on the equipment obtained through this process. This must include, as a minimum, rationale, price quotes or list prices from the contract and all related evaluative material for vendor and equipment selection.

(g) Frequent price changes are scheduled in the contract. All vendor price changes must be approved by the DGS Contract Administrator and will be published on the Internet and by vendors.

(h) When developing configuration comparison prices, installation, warranty and

bundled applications software, pricing should be included in the configuration comparisons.

Any vendor "Special Price" offers should also be considered, even if the Special Price offers are temporary. Price offerings must have been submitted to and approved by the DGS contract administrator, and be published as part of the vendor's official price list. Special Price offerings are generally time sensitive, are usually posted on the Internet only and may not be available in a timely manner in a printed format. Agencies must plan ahead when considering using Special Price offers, especially if prior approval from DBM is required (budget amendments, ITPR plan adjustments, etc.).

(i) It is important to note that once a vendor is selected using the comparison analysis, agencies will be allowed to buy up to \$2,500 per purchase order of equipment, incidental supplies or service items that are not published as an official State of Maryland price, but which may be available from a vendor. A procurement may not be artificially divided to circumvent this rule. "Services" in this context must be incidental to implementation and are not to be used for general consulting. These purchases should be identified on a Purchase Order as a Miscellaneous Item.

(j) Except for operating system and other software supplied by hardware vendors as part of the basic configuration pricing in the Guide, all microcomputer software should be purchased from DBM Personal Computer Software Contract number DBM-OIT-97-002. (This will subsequently be described in Procurement Directive Number 97-09.) However, agencies are allowed to purchase any operating system software that is available from the microcomputer equipment contract vendors which are installed by the vendors and included with the hardware delivered. This includes LAN operating licenses that may be selected for the installation of file servers.

The following four microcomputer hardware vendors are included in the DBM Software Contract number DBM-OIT-97-002:

1. Daly Computers
2. Data Networks
3. AV Networks
4. ISMART

The software contract provides for special price software offers. All such special price software offers must have been submitted to and approved by the DBM software contract administrator and be published publicly as part of the vendor's official price list.

An example of a special price software offer would be the bundling of microcomputer hardware from the DGS-OPC-9701 contract with software from the DBM-OIT-97-002 contract. Agencies procuring microcomputers from the vendors listed above should verify the availability of any software bundling special price offers prior to purchasing equipment.

Special Note: Vendors on the DBM software contract are generally not authorized to sell hardware products from that contract unless it is a miscellaneous item subject to the \$2,500 per purchase order limitation described in (i) above. Refer to DBM Procurement Directive Number 97-09 (to be subsequently issued) for additional information.

(k) Use of “Common Sense” considerations when making a buying decision:

- Agencies must live within their budgets.
- Agencies should economize whenever possible.
- Agencies are encouraged to buy the most economically available equipment from the contract and to experiment with the various vendors’ offerings to meet agency equipment requirements at minimum cost. Expensive and unnecessary extras, “frills,” or add-on items that may not be used in the future should be avoided. However, agencies may include nominally priced extras that have a high probability of future use if such extras would be substantially more expensive to add later.
- Agencies should consider economic benefits to the State when purchasing equipment from the contract. Agencies should utilize MBE vendors wherever feasible and practical. The following certified MBE vendors are available under the contract:
 1. Daly Computers
 2. Pulsar Data Systems
 3. Halifax Technology Services
 4. AV Networks
- It is the responsibility of each agency to determine what past vendor performance, equipment features, functionality and levels of service are most advantageous to them, and hence to the State. Factors to include are:
 1. Past performance experience with vendors.
 2. Unique operating characteristics of hardware.
 3. Compatibility with existing hardware and software.
 4. Quality (shell and components).
 5. Availability (delivery time, parts replacement, component upgrades).

6. Capability for future upgrades.
7. Ergonomics.
8. Physical and aesthetic characteristics (weight, size, shape, color, etc.).
9. Location of Service Providers.

(l) Items or services not to be bought under the contract include the following:

- Do not buy any hardware, firmware or software products that are not Year 2000 compliant. The contract contains the following Year 2000 clause:

“YEAR 2000 COMPLIANT (AND ENABLEMENT) WARRANTY:
The Contractor warrants that all software, firmware and hardware product(s) delivered to the State of Maryland and which is used in accordance with the product documentation provided by the Contractor, shall be 4-digit Year 2000 compliant (or approved enabled). All products shall accurately process all date-change data from start to finish, including, but not limited to, twentieth, twenty-first centuries and leap year calculations.

Any product provided under this Contract discovered not to be compliant after acceptance shall be corrected by the Contractor at no additional cost to the State of Maryland. Failure to correct the deficiency shall subject the Contractor to default action.”

- Do not use the contract as a parts replacement or general maintenance contract after the warranty on the equipment expires. Microcomputer equipment maintenance contracts are generally bid out.
- Do not use the contract to purchase application software except as noted in (j) above. Use the DBM Personal Computer Software contract. Questions regarding use of the software contract may be directed to DBM’s Procurement Unit at 410/974-2174.
- Do not use the contract to purchase computer training services. Use the computer training resources available from the DBM Office of Human Resources Information Technology Training Program at 300 West Preston Street, Baltimore. Questions regarding use of DBM computer training services may be directed to 410/767-1046.

- Do not use the contract to obtain consulting or programming services. These items are generally bid out.
- Do not use the contract to purchase telecommunications type equipment or services that are available under other State contracts. A list of these other State telecommunication type contracts is available from the DBM Procurement Unit at 410/974-2174. The list includes names of key contact people who may assist you in using the contracts. The list is also located on the Internet at website:
<http://www.dgs.state.md.us/~dgs/dbmmain.html>.

(4) *DBM Monitoring*

DBM will monitor the purchases of the agencies using this contract. Monitoring will be performed on a random basis utilizing ADPICS tools. Upon request, agencies may be asked to provide all relevant agency documents and information on the equipment obtained through this contract.

(5) *Assistance or Questions*

Assistance or Questions concerning the contract administration may be directed to:

DGS Contract Administrator at 410/767-4102 for equipment specifications, pricing, vendor administration/performance issues and general vendor related contact concerns. Fax number is 410/333-5163.

DBM Procurement Unit at 410/974-2174 for budget/policy related issues. Fax number is 410/974-3274.